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MODEL RURAL ELECTRIC COOPERATIVE ACT

A model rural electric cooperative act has been developed by the Rural Electrification Administration for adoption by state legislatures. This model act reflects the experience of the Rural Electrification Administration during the past four years and represents a marked advance over previous statutes drafted for the same purpose.

The model act provides for the organization and administration of cooperative non-profit membership corporations for the purpose of supplying electric energy to persons in rural areas not receiving such service. The cooperatives are granted broad powers, including the power to generate, transmit and distribute electric energy to their members, to Governmental agencies and political subdivisions and to other persons not in excess of ten per cent of the number of their members. Other important powers involve the construction, maintenance and operation of electric refrigerator plants, the power of eminent domain and the right to use the public highways.

The provisions pertaining to the membership of cooperatives are carefully worked out to insure democratic control by the members. The guiding cooperative principle of one member-one vote is insured and safe-guarded. The minimum quorum provision for members' meetings is five per cent of the membership present in person. Voting by members in person is fostered, but cooperatives may make provision for voting by proxy or by mail, or both. However, no

person may act as proxy for more than three members.

A number of new provisions for the purpose of emphasizing the cooperative nature of these rural electrification enterprises have been included. For example, provision is made for joint membership of husband and wife, for the creation of voting districts for the election of trustees or delegates to represent the members within such districts at members' meetings, and for the initiation of members of corporate action, normally initiated by the board of trustees, upon petition of a specified percentage of the members.

The cooperatives are relieved of all excise taxes and in lieu thereof are required to pay an annual license fee of \$10.00 per hundred persons or fraction thereof supplied with electricity within the state. Exemption from property taxes is not dealt with, and action in respect of such exemption is left for special treatment by each state legislature. Specific exemption from the jurisdiction and control of public service commissions and from the operation of "blue sky" laws is also granted.

Provision is made for the conversion of corporations and cooperatives presently engaged in supplying electric energy in rural areas into cooperatives of the same nature permitted to be organized under the model act. This procedure is made as simple as circumstances permit and has for its purpose the extension of the benefits of the model act to corporations and cooperatives organized for similar purposes under less

advantageous acts.

In the states where cooperatives are now organized under general cooperative laws, agricultural marketing laws or non-profit corporation laws, the adoption of an act such as the Rural Electric Cooperative Act here described would facilitate the organization and operation of farmer-owned rural electrification. As the Administrator has said: "Experience has brought sharply to our attention the need in a number of states for new laws that will make it easy rather than difficult or impossible for farm people to function through their own cooperative electric membership organizations. We have been working with farm people and state legislative and administrative officials for 2 or 3 years to achieve this purpose. We have had a good deal of cooperation in several states. We have made some progress. Some states have adopted now and helpful laws. Some already had adequate statutes. Others still lack them. The job is not finished. Perhaps it never will be finished, but a great deal more can be done. It will be done as more and more people see the need for it."

The new Act has already been adopted in Montana, New Mexico, Oklahoma and Tennessee. It has been passed by the South Carolina legislature and is awaiting the Governor's signature. The Act has been introduced and is pending in Alabama, California, South Carolina and Florida. The acceptance of the Act is a testimonial to its suitability for meeting the needs of rural electrification.

Project attorneys may obtain copies of the Act by writing to the REA Law Journal.

RECENT CASES

Chattel Mortgages - Notice of Sale

Notice of sale of property under chattel mortgage was not advertised or otherwise given to mortgagor until day of sale. Mortgagor was present at sale and offered no objections.

Held, sale valid. Ordinarily more notice should be given, but here mortgagor had been present at sale and had offered no objections. Winters v. Municipal Capital Corp., 26 F. Supp. 330 (E.D.N.Y. 1939).

Chattel Mortgages - Substantial Compliance with Affidavit of Consideration

Corporate mortgagor executed a mortgage covering both real and personal property for \$30,000.00. New Jersey statute requires that the affidavit annexed to a chattel mortgage must state "the consideration of such mortgage and, as nearly as possible, the amount due and to become due thereon." Vice President of corporation in the affidavit stated the consideration and added the phrase "there is due on said mortgage the sum of \$30,000." No statement as to the time at which particular amounts were to become due was given. Upon attempted foreclosure by plaintiff, defendant alleges that the chattel mortgage is invalid since it does not state the times at which amounts are to become due thereon.

Held, judgment for plaintiff. Substantial compliance and not technical adherence with terms of statute is required. Here the affidavit referred to the mort-

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gage, and the mortgage and affidavit should be read together. By so doing, the amounts due at particular times may be determined. Fidelity Union Trust Co. v. Augelli, 4 A. (2d) 495 (N.J. Ch. 1939).

Contracts - Stipulation that TVA's rulings should be final unless excepted by contractor within ten days

Plaintiff was awarded contract by TVA for loading and hauling material. There was a provision that in the event that the contractor disagreed with TVA as to the computation of charges, he must file a written provision within ten days or be considered as having waived any claims with regard to differences as to the particular amounts due. Contractor failed to file such a provision and now sues on a disputed claim.

Held, judgment for defendant. The stipulation was not offensive to public policy and was clearly reasonable. Roberson v. Tennessee Valley Authority, 186 So. 727 (Ala. 1939).

Contracts for Electric Service

Suit by power company against the

defendant for current and service furnished under a written contract bearing the signature of the defendant. The latter urges as a defense, inter alia, that although he signed the written contract a copy was not delivered back to him and therefore the contract had not been completed. Four copies of the contract had been made, the company keeping all of them.

Held, judgment for the plaintiff affirmed. Stevens v. Arkansas Power and Light Co., 124 S.W. (2d) 972 (Ark. 1939).

The court points out that the contract provided that it should not be effective until approved and signed by the company. This was done and at this point there was a completed contract. Since there was nothing in the contract to the effect that a copy must be delivered to the defendant before it would take effect, it was not incumbent upon the company to do so.

County Water Districts - Municipalities or State Agencies?

California Constitution exempts state agencies from property taxes, but permits the taxation of property of municipal corporations located outside the boundaries of the city. Plaintiff water district paid property tax under protest and now seeks to recover payment.

Held, judgment for plaintiff. Districts are State agencies and not municipal corporations for the purpose of taxation, although when exercising municipal functions they may be held to the liability of municipal corporations. Laguna Beach County Water District v. Orange County, 87 P. (2d) 46 (Cal. App. 1939).

Corporations - Statutory Revival of Corporation After Charter was Forfeited by Non-payment of Privilege Tax

Michigan statute provided that upon

non-payment of privilege tax for a period of two years charter of corporation is forfeited. Corporation defaulted and shareholders brought suit in equity to have receiver appointed to wind up business. While suit was going on, legislature passed statute providing that corporations upon payment of defaulted privilege taxes may have their corporate existence revived.

Held, that legislature could under its renewal power revive corporations whose charters had already been forfeited. The California case of Rossi v. Claire, 186 Cal. 544, 199 Pac. 1042 (1921) is cited by the court as contra. Slott v. Slott Realty Co., 284 N.W. 635 (1939).

Electricity - Statute Requiring Notice Prior to Termination of Service by Electric Company for any Cause.

New York statute provided that "the supply...of electric light shall not be discontinued for any cause until and after a five-day written notice." The plaintiff sues for damages suffered by company's failure to serve notice before terminating service. Company defends on ground that the plaintiff had so tampered with the electrical equipment in his home that current used was not recorded by the meter.

Held, judgment for plaintiff. The statute says service may not be terminated for any cause without a five-day written notice, and even criminal or fraudulent conduct on the part of the customer does not relieve the company from compliance with this requirement. Fisher v. Long Island Lighting Co., 19 N.E. (2d) 682 (N.Y. 1939).

Government Instrumentality - Requirement that Contractors Transporting Government Workers be Licensed

WPA employed Baltimore men to do construction work near Annapolis. It

contracted with private carrier to transport these men to and from work. A Maryland statute provided that private carriers were subject to certain licensing requirements. These particular private carriers carried only WPA men, and the contractor assumed that he was not subject to the statute.

Held, the licensing requirements must be met, and this would not result in interference with the performance of an essential governmental function. Baltimore & A. R. v. Lichtenberg, 4 A. (2d) 734 (Md. App. 1939).

HOLC - Violation of HOLC Regulations by Home Owner and Creditor

HOLC agreed to loan funds in return for a first mortgage and an agreement by all creditors of the mortgagor to release claims upon payment of specific amounts. HOLC regulations prohibit second mortgages without its consent. Creditor, after otherwise promising to HOLC, refused to execute a release unless second mortgage was granted by Home Owner. Without knowledge or consent of HOLC, such second mortgage was granted. Second mortgagee after default sues to foreclose on mortgage.

Held, judgment for defendant. Second mortgage was void as against public policy since second mortgagee repudiated his agreement with HOLC not to seek a lien or press his claim further against Home Owner. Markowitz v. Berg, 4 A. (2d) 410 (N.J. Ch. 1939).

Irrigation District Refinancing Act - California - Constitutionality

In a dictum in this recent federal decision, the court states, "We believe there is a serious question as to the constitutionality of the California 'Irrigation District Refinancing Act.' [1 Cal. Gen. Laws (1937) Act 3857b] It comes very close to impairing, if it does not actually impair, the obligations of

contracts, and thereby transcends state legislative power,... But we are not disposed to consider the constitutionality of the state law until the California courts of appeal have considered and passed upon it." In re Merced Irr. Dist., 25 F. Supp. 981 (S.D. Calif., 1939).

Mechanics' Lien--Bankruptcy Supervening before Perfection of Lien but While Time Allowed for Perfection has not Elapsed

Contractor furnished labor and material for construction job. Before work was completed, owner of property went bankrupt. Contractor had not as yet, of course, perfected his mechanics' lien. In bankruptcy proceedings, held, contractor obtained the same priority as a mechanics' lien holder. Stated the court: "Bankruptcy does not discharge valid liens any more when, though inchoate and in the process of completion, they are in good standing when bankruptcy comes, than when every required step has already been taken," Cutler-Hammer, Inc. v. Wayne, 101 F. (2d) 823 (C.C.A., 5th, 1939).

Mechanics' Lien - Partial Waiver to Grant Priority to Mortgagee

X purchased a lot of ground from A and executed a note and security deed therefor reconveying the ground to A. X also obtained a loan from a building and loan association, in return for which X executed a mortgage. Contractor waived his mechanics' lien in favor of the mortgagee and declared the mortgage "to be senior and prior to any claim whatsoever" that he may have or thereafter acquire. X defaulted in payment to contractor who now seeks to foreclose mechanics' lien and to have it declared prior to any rights of A.

Held, judgment for contractor. The waiver of mechanics' lien was in favor of the specific mortgage lien above

mentioned and was not a waiver of the lien as to any other interested parties. Lofthus v. Cumming, 87 P. (2d) 283 (Wash., 1939).

Minimum or Service Charges - Constitutionality

Statute prohibited utilities (gas) from making a fixed minimum charge and further provided that consumers should be charged only for gas used. Utility filed a petition with the Corporation Commission for authority to make a monthly service charge to equalize the cost of service among consumers. The utility demonstrated that it had been losing money and that an increase in rates would not solve the problem. The Commission found that the loss was caused by the small consumers and therefore borne by the purchasers of larger amounts of gas. The commission found that a service charge would be the only way to solve the difficulty but denied the petition solely on the ground that it was prohibited by the statute.

Held, as applied to the facts of this case, the statute is unconstitutional. To enforce the statute would have the effect of depriving the utility of property without due process because it could not obtain a fair return on its investment. For a recent treatment of service charges see Havlik, Service Charges in Gas and Electric Rates (1938) reviewed in 1 R.E.A. L.J. 40 (1939) Avant Gas Service Co. v. Corp. Comm., 6 U.S.L. Week 992 (Okla. Sup. Ct. Feb. 28, 1939)

Municipal Corporations - Construction of Electric Light System

Missouri Constitution provided that municipalities may submit to the voters the question of becoming indebted for the purpose of purchasing or constructing... electric or other light plants. The aldermen of the town decided to construct a plant and submitted only that question, and not that of the possible purchase of

an existing plant. The voters approved, and a private power company now seeks to enjoin the issuance of bonds on the ground that the aldermen had no power to decide in advance the problem of construction or purchase but could do so only after a vote authorizing either, and therefore the question should have been submitted in the words of the Constitution.

Held, injunction denied. The Constitution clearly allows the separation of the methods of acquiring electric plants by the aldermen before a vote of the electorate. Martin v. Southwestern Bell Telephone Co., 125 S. W. 20 (Mo. 1939).

Municipal Corporations - Proper Parties Plaintiff to Enjoin Municipality from Engaging in Electric Transmission

A utility sues to enjoin municipality from constructing electric transmission lines on the following theories:

- (1) that proposed construction would cause city debt to exceed constitutional debt limit
- (2) that city had not obtained certificate of convenience; and
- (3) that the municipality sought to serve non-inhabitants.

Held, judgment for defendant. The court found that the public utility was a tax payer but not a citizen, and secondly, that under the Alabama statutes and cases, the municipality was not subject to public utility jurisdiction. As to the third point the court found clear authority in a number of Alabama statutes authorizing a municipality to serve consumers outside its territorial limits. Birmingham Electric Co. v. Bossemer, 186 S. 569 (Ala. 1939).

Municipal Corporations - Suability of City Department

A City Department was authorized by

City charter to control the city's public utilities, with authority to make all necessary contracts. The department, allegedly, wilfully and maliciously cut off all supply of water and light to plaintiff's home for which he now brings an action of damages.

Held, complaint demurrable. The City Department is not a distinct and separate corporate entity and therefore is not subject to suit. Brownlee v. Dalton Board of Water Commission, 1 S. E. (2d) 599 (Ga. 1939).

Negligence - Easements - Liability of Electric Company for Injuries Suffered by Sharecropper As a Result of Sitting on Concrete Base Anchoring Power Line

Owner of land granted easement to electric company to place lines over his property, reserving the right of cultivation, ingress and egress. Sharecropper while walking along property sat down on concrete base anchoring the power line. The metal pole attached to the base was not properly insulated and sharecropper was injured when his shoulder came in contact with it. Upon suit, judgment for plaintiff.

The court found (1) that although the sharecropper was not engaged in one of the activities mentioned in the easement agreement, yet the reservation did not operate to limit his use of the land since an owner by law reserves all rights not specifically granted in easement, (2) that the electric company should have known that someone might sit on the concrete base and therefore should have insulated the pole, (3) that question of sharecropper's contributory negligence was for the jury. Georgia Power Co. v. Leonard, 1 S.E. (2d) 579 (Ga. 1939).

Pleading - Mandamus - Drainage Districts

Bondholder brings mandamus to enforce payment of amount due on bonds. It is difficult to determine whether drainage

district is solvent.

Held, judgment for defendant. If the district is insolvent, there can be no preference among the bondholders. A judgment in favor of plaintiff here, in the event that insolvency of district is later proven, would create an unlawful preference. Therefore, suit should be brought in equity since the field of jurisdiction in a mandamus case is too limited to allow for complete justice to all parties. Abiaca Drainage District v. Theis and Sons, 187 So. 200 (Miss. 1939).

Statute of Frauds - Promise by Mortgagee to Contractor to Pay for Improvements on Mortgagor's Premises

Mortgagor engaged contractor to dig a well. Contractor learned that mortgagor was insolvent and prepared to stop work. Mortgagee orally promised contractor to pay in full for the work already done and the work to be done if contractor continued. Well was dug and contractor sues mortgagee who defends on ground that his promise was unenforceable since it was an oral promise to answer for the debt or default of another.

Held, judgment for contractor. Mortgagee wanted well dug for his own benefit since it was very like that foreclosure would be necessary (as it actually was) and therefore increased value of land would inure to mortgagee. Hence it was a debt contracted by mortgagee on his own behalf. Herde v. Williams' Estate, 283 N.W. 805 (1939).

ADMINISTRATIVE INTERPRETATIONS

REA cooperatives--Commission Jurisdiction

The Attorney General of Colorado has ruled that cooperatives organized for the purpose of supplying electric service in rural areas are not subject to

the jurisdiction of the Public Utilities Commission of Colorado. He described in detail the non-profit and cooperative nature of such corporations and then refers to the Public Utilities Act of Colorado, Colorado Stats. Ann. (1936) c. 137, which provides that the Utilities Commission shall have jurisdiction over all public utilities and further defines "public utility" as including "every...corporation...operating for the purpose of supplying the public for domestic, mechanical, or public use." The Attorney General feels that "supplying the public" is not applicable to the REA cooperative because of the way in which membership is limited to designated persons and because the association reserves the right to reject applicants. In re Opinion Atty. Gen. Colo., Feb. 9, 1939, C.C.H. Pub. Util. & Carr. Serv., Colo. Vol. 1, para. 13.

Licenses - General Contractors

By a ruling of the Alabama Attorney-General, a general contractor who bids on projects of Electric Membership Corporations must procure a contractor's license. The argument that such corporations are state or federal instrumentalities was rejected. Prentice-Hall St. & Loc. Tax Serv., Ala. Tax., para. 44, 109.

RECENT STATUTES

ARIZONA

Provides the procedure for consolidation of corporations. Arizona Laws, 1939, c.81 (Approved March 20, 1939)

Section 592 of the Rev. Code of 1928 is amended to change the procedure for dissolution of corporation. Arizona Laws, 1939, c.80 (Approved March 20, 1939)

Any corporation is given the power to make installment loans in an amount not exceeding \$1,000 if the total payment

for interest is not in excess of \$8 per \$100 to be added to the principal amount and calculated from the date of the indebtedness payable in installments. It is also provided that there may be no charge for preparing the application, investing credit, appraisal, etc. except for lawful fees actually and necessarily paid to public officers for filing or recording. If other charges are made, the loan is usurious. (no effect stated). Arizona Laws, 1939, c.69 (Approved March 14, 1939).

Concurrent resolution proposes amendment to the Constitution of Arizona to provide that section 2 of Article XV shall provide that except as to public utilities rendering service within the corporate limits by municipal corporations, "all corporations engaged in... furnishing...electricity for light, fuel or power..., or other public purposes...shall be deemed public service corporations." The resolution is to be submitted to the electors at the next general or special election. House Concurrent Resolution No. 13 (Approved March 14, 1939).

Section 660 of Rev. Code, 1928, is amended to provide that on complying with the provisions of this article, any foreign corporation shall have and enjoy the same rights and privileges held and enjoyed by like domestic corporations. "No alien corporation hereafter shall have, own or hold any land within the State of Arizona." Arizona Laws, 1939, c. 31 (Approved March 2, 1939).

ARKANSAS

Act passed regulating the practice of general contracting, setting up and establishing a state licensing board for general contractors and providing for penalty for violations of the act. Arkansas Acts 1939, No. 124 (Approved February 24, 1939).

COLORADO

Statute empowers the Boards of

County Commissioners of each county to appoint a Commission of five members to be known as the County Planning Commission. The Commission is to make up a master plan for the physical development of all territory outside the cities and towns. Such plan includes bridges, parks and the general location of public utilities and terminals whether publically or privately owned for water, light, power, etc. After a master plan has been adopted, thereafter no road, park, or public utility may be constructed or authorized in the county until the proposed location and extent thereof is submitted and approved by the Planning Commission. Appeals for approval are provided for and procedure is outlined. A complete zoning act for counties is set up. Colorado Laws, 1939, S.B. No. 278 (Approved March 30, 1939).

IDAHO

Section 29-601 of the Idaho Code Ann. is amended to provide that every corporation (including corporations not for profit and foreign corporations) shall, during the month of July and on or before the first day of each September of each year, furnish the Secretary of State and the County Recorder of each county where articles of incorporation are filed, an annual statement giving certain data relating to the corporation, e.g., date of annual election of directors and officers, amount of capital stock, etc. Blanks are to be supplied by the Secretary of State and by the County Recorder for filing in the respective offices. No fee is charged to corporations not organized for profit. Idaho Laws, 1939, H.B. No. 121 (Approved March 7, 1939).

Act setting up requirements for the licensing of professional engineers and providing for a board of licensing, etc. Idaho H.B. No. 182 (Approved March 13, 1939).

INDIANA

Indiana Act amends the title to the Electric Membership Corporation Act. It also adds an additional section as Sec-

tion "26" providing that any foreign corporation organized for the purpose of making electric energy available in rural areas may be admitted to do business within the State of Indiana and shall have the same powers as the corporation organized under the Indiana Act. The procedure is:

File with the Public Utilities Commission of Indiana a petition in as many counterparts as the number of counties in which a foreign corporation desires to do business and in addition to this number five more. The petition shall describe the territory in Indiana and "pray the said Commission to grant to it a certificate of public convenience and necessity for such operation." To each original petition there must be attached a copy of the articles of incorporation by the state of incorporation. The Commission may enter an affirmative or negative order. If a certificate is granted, such certificate shall be attached the originals of the petition and delivered to the petitioner who will then present it to the Secretary of State and tender a fee of \$6.50 for filing. Indiana H.B. No. 267 (Approved March 9, 1939).

IOWA

Act providing for the setting up and licensing of refrigerated locker plants and granting a lien upon the food stored therein. It provides that every person engaged in operating a refrigerated locker plant who charges a fee for the service, must obtain a license from the Department of Agriculture of Iowa. The license fee is \$10 per year per each 300 cold storage lockers. Iowa H.B. No. 176 (Approved March 20, 1939).

Act amends Chapter 437 of the Code of 1935 to provide that a conditional sale or contract of personal property filed under Section 10016 need only be indexed under the name of the vendee or purchaser. Iowa S.B. No. 56 (Approved March 6, 1939).

MONTANA

Enacting the new Rural Electric Cooperative Act in toto. Montana Laws, 1939, H.B. No. 159 (Approved March 17, 1939).

Act provides that from and after the passage thereof, all electrical construction conducted and to be operated by any rural electrification association and operated in pursuance "of the authority of the Rural Electrification Administration of the Federal Government" in Montana shall be in conformity with the rules and regulations of the National Electrical Safety Code approved by the American Engineer's Standards Committee, as published by the Department of Commerce of the United States. Every violation constitutes a misdemeanor. Montana Laws, 1939, S.B. No. 200 (Approved March 17, 1939).

NEW MEXICO

Statute enacts the new Rural Electric Cooperative Act in toto. New Mexico Laws, 1939, S.B. No. 26 (Approved March 4, 1939).

Act regulates the erection of pole lines or other lines or wires upon, over, or across the right of way of a State Highway. Construction must be in conformity with the provisions of the National Electrical Safety Code and must meet other requirements. The State Highway Commission is given full powers of regulation over the placing of the wires. New Mexico Laws, 1939, c.30 S. B. No. 33 (Approved, March 1, 1939).

NEVADA

Foreign corporations doing business in Nevada shall beginning with the year

1941 not later than the month of March each year, publish a statement of the last year's business in a newspaper published in the State of Nevada. Nevada Assembly Bill No. 173 (Approved March 23, 1939).

NORTH CAROLINA

Section 5 of Chapter 288 of Published Laws of 1935 is changed to provide that the compensation of members of the Rural Electrification Authority shall be \$7 per day and actual expenses for all members except the chairman. Members are not allowed payment for more than twelve meetings for any one year. H.B. No. 452 (Approved March 10, 1939).

NORTH DAKOTA

Statute sets up a division of cooperatives in the Department of Agriculture and Labor for the purpose of aiding cooperatives "by serving as a source of cooperation and information in the establishment and/or maintenance of cooperatives generally." North Dakota Laws, 1939, H.B. No. 105 (Approved March 14, 1939).

OREGON

Act provides that Oregon or any subdivision of the State including counties, cities, towns, etc. are authorized to enter into agreements with the United States of America or any Agency thereof relative to the conditions for and places where electric transmission lines may be placed and further provides that such agreements may be in perpetuity or for such length of time as may be specified. The agreement may not affect the constitutional rights of private property owners who do not join. Oregon S.B. No. 408 (Approved March 9, 1939).

SOUTH CAROLINA

Joint Resolution No. 661 of 1937 establishing a Joint Committee on rural electrification is continued in force and effect until January 15, 1942. South Carolina Laws, 1939, S.B. No. 349 (Approved April 1, 1939).

TENNESSEE

Enacting the new Rural Electric Cooperative Act. Tennessee Laws, 1939 c.176 (Approved March 10, 1939).

The Tennessee Electric Membership Act is amended, in section 10, to strike out the provision that the rates to non-members served after the acquisition of existing facilities shall be on a cost basis to provide that the rates to be charged shall not exceed the rates that were being charged at the time the electric facilities were acquired by the Electric Membership Corporation. Tennessee Acts, 1939, c.227 (Approved March 10, 1939).

Act provides that any Electric Membership Corporation "formed in whole or in part under the Federal Statutes or obtaining grants from the Rural Electrification Authority, a Federal corporation, which Electric Membership Corporation shall have been organized under the laws of any state contiguous to the State of Tennessee may extend its operation into this State for a distance not to exceed three miles from the boundary between such contiguous state and this state without liability for any taxes for assessments other than those now or hereafter imposed by law upon domestic electric membership corporations. Furthermore, the foreign corporation is not required to domesticate. The privilege here granted is effective for five years and expires at that time unless a reciprocal exemption is granted by the foreign state to Tennessee Electric Membership Corporations. In the latter case, the exemption shall continue so long as the reciprocal exemption continues. Tennessee Laws, 1939, c.132 (Approved March 7, 1939)

VERMONT

Act sets up a State Board of Registration for professional engineers and requires a state registration or licensing of such engineers. Vermont Laws, 1939, H.B. No. 303 (Approved April 6, 1939).

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Note (1939) 17 N.C.L. Rev. 301: Power of the governing body of a municipal corporation to bind its successors.

Note (1939) 48 Yale L.J. 1082: Factional disputes among directors.

What happens when the directors of a corporation get deadlocked?

Cohen and Gerber, the After-Acquired Property Clause (1939) 87 U. of Pa. L. Rev. 635.

Review of the law relating to the mortgaging of property to be required in the future.